

**GUIDELINES FOR REQUESTING APPROVAL  
FOR A STRATEGIC PLAN UNDER  
THE COMMUNITY REINVESTMENT ACT**

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### **Background and Purpose**

These guidelines apply to any type of institution that is subject to the Community Reinvestment Act ("CRA") and that wishes to request that it be evaluated on the basis of a strategic plan. These guidelines also apply to requests for approval to amend a strategic plan.

The strategic plan evaluation option in the regulation provides an institution with the opportunity to tailor its CRA objectives to the needs of its community and to its own capacities, business strategies and expertise. Therefore, not all of the factors described in the regulation would necessarily apply to each strategic plan. An institution has a great deal of latitude in constructing a strategic plan, but it is expected that public participation in development of the plan will provide an institution access to the fullest possible information about the needs of its community and how those needs might be met.

The required contents of a strategic plan and the Office of the Comptroller of the Currency's (OCC) criteria for evaluating a strategic plan are specified in the OCC's CRA regulation, 12 CFR 25.27. These guidelines do not supplant the regulation; rather, they are intended to serve as guidance in the preparation of a strategic plan and submission of the plan to the OCC for approval. These guidelines specify the types of information that a national bank will generally need to submit in requesting that it be evaluated on the basis of a strategic plan. In addition to the items listed in the guidelines, a national bank may submit any other information that it may consider relevant to the OCC's decision.

Performance context. A proposed strategic plan will be evaluated in the context of the information described generally in the OCC's CRA regulation, 12 CFR 25.21(b). This information could include, *as appropriate*: demographic data on median income and household income; housing costs; lending, investment and service opportunities in the institution's assessment area(s); the institution's product offerings and business strategy; institutional capacity and constraints (including the institution's size and financial condition, and economic climate); past performance of the institution; and relevant information from the institution's public file. The agencies will not expect the institution to supply more information regarding the performance context than it would normally develop to prepare a business plan or to identify potential customers, including low- and moderate-income individuals or geographies in its assessment area(s). Information submitted by the institution will be considered along with information from community, government, civic and other sources.

Public comments. Public comment is important to, but not determinative of, the decision on strategic plan approval. The public comments will be reviewed by the OCC to

determine whether the national bank offered the opportunity for community input into the plan, to assess the degree of support for the institution's goals, and to evaluate the appropriateness of those goals. The agency will, if necessary, consider other information regarding the performance context in addition to the public comments and information submitted by the institution.

Election of alternative assessment method. A national bank may elect in its strategic plan, that if it fails to meet substantially the plan goals for a satisfactory rating, its CRA performance will be evaluated under the (1) lending, investment and service tests, (2) community development test or (3) small-institution performance standards, whichever may be appropriate. If such an election is not made in the strategic plan, the national bank will be evaluated only under the strategic plan, and failure to meet substantially the goals set forth for satisfactory performance will result in assignment of a rating of "needs to improve" or "substantial noncompliance."

### **Preparation and Submission of a Proposed Strategic Plan**

An institution's proposed strategic plan, along with all requested information, should be submitted in writing to the federal regulatory agency that exercises primary supervisory authority with respect to that institution. If a proposed plan covers more than one affiliated institution, a copy of the entire plan should be submitted to each federal bank regulatory agency that has primary supervisory responsibility for one or more institutions covered by the plan. If a proposed strategic plan is being submitted on behalf of more than one institution, each institution must receive the approval of its own supervisory agency for those portions of the plan relating to that institution's CRA responsibilities.

A proposed strategic plan that covers one or more national banks should be submitted to the appropriate office designated by the OCC. For this purpose, the appropriate office shall be the Compliance Management Department. Inquiries concerning the preparation of a strategic plan should also be directed to that office at the following address:

Deputy Comptroller for Compliance Management  
Office of the Comptroller of the Currency  
250 E Street, SW  
Washington, DC 20219  
Attn: CRA Strategic Plan

The OCC may require the national bank to submit any additional statements or information that it deems necessary. It is the institution's responsibility to submit the information necessary to demonstrate that the proposed strategic plan meets the criteria for approval.

Each request for approval of a proposed strategic plan should name a contact person at the national bank. Strategic plans that include more than one national bank affiliate may designate a single contact person for all the covered institutions; or separate contacts for one or more of the national bank affiliates. Upon receipt, Compliance Management will review the proposed strategic plan and related material to determine if the request is complete. A request for approval of a strategic plan will be deemed to be complete when all relevant information identified in these guidelines has been received by the OCC. If the request is deemed to be incomplete, the OCC will notify the requesting institution(s) and a request for additional information will be sent to the named contact person. If any information initially furnished with the request changes significantly during the processing of that request, the national bank should communicate those changes promptly to Compliance Management.

Each request for approval of a proposed strategic plan should also contain a proposed effective date. The proposed effective date should be at least 90 days after the request is submitted to the OCC. The national bank will not be evaluated under a strategic plan until the institution has been operating under an approved and effective plan for at least one year.

### **Notification of Decision**

The OCC will act upon a national bank's request for approval of its proposed strategic plan within 60 calendar days after the agency receives the complete plan, unless the agency extends the review period for good cause. The OCC will notify the institution of any extension of the review period, the reason for the extension and the date by which the agency expects to act upon the request. If the OCC fails to act within this time period, the proposed plan will be deemed approved.

If a strategic plan covering multiple institutions must be approved by more than one regulatory agency, each agency will issue a decision approving or denying the request with respect to the institution(s) for which that agency has primary supervisory responsibility.

### **Confidentiality**

Under the provisions of the Freedom of Information Act ("FOIA")(5 U.S.C. § 552), a request for approval of a proposed strategic plan that is submitted to the OCC is a public document and is available to the public upon request. The OCC's decision approving or denying a proposed strategic plan may also be available to the public under the FOIA.

A national bank may request confidential treatment for information that would be exempt from public disclosure under the FOIA. For example, if the requesting national bank is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its affiliates, or that disclosure of

information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested. This request for confidential treatment must be submitted in writing concurrently with the filing of the strategic plan and must discuss in detail the justification for confidential treatment. Justification must be provided for each item or category of information for which confidential treatment is requested. The institution's request for confidentiality should explain the harm that would result from public release of the information.

Information for which confidential treatment is sought should be: (1) segregated from the other information that is submitted; (2) specifically identified in the nonconfidential portion of the strategic plan (by reference to the confidential section), and; (3) labeled "Confidential." The requesting national bank should follow this same procedure on confidentiality with regard to filing any supplemental information. The OCC will determine whether information labeled "Confidential" will be so regarded, and will advise the requesting national bank of any decision to make information labeled "Confidential" available to the public.

A national bank should follow the rules stated above when submitting confidential supervisory information, which includes any information contained in, related to or derived from reports of examination and inspection, or confidential operating and condition reports.

## **Requested Information**

The requirements for a strategic plan are contained in the OCC's CRA regulation, 12 CFR 25.27. A national bank requesting approval for a strategic plan will generally need to submit:

1. The names of each institution joining in the plan and a description of how they are affiliated. The agencies will approve a joint plan only if the plan provides measurable goals for each institution for each assessment area covered by the plan.
2. For each institution, an identification of the assessment area(s) covered by the plan, including a list of the geographies involved.
3. The proposed term of the plan. A plan may have a term of no more than five years.
4. The proposed effective date for the plan, which should be at least 90 days after the plan is submitted to the OCC.
5. A description of the formal or informal public input received during development of the plan. Copies of any written comments that were received during the development of the plan that was released for public comment may be provided.

6. A copy of the required public notice and the name(s) of the newspaper(s) in which the required notice was published.

7. Copies of all written comments received during the comment period.

8. A copy of the strategic plan released for public comment, if it is different from the strategic plan being submitted for agency approval.

9. For each assessment area for each institution covered by the plan, copies of any information developed in the institution's normal business planning that it wants the agency to consider regarding lending, investment and service opportunities in the assessment area, including a description of any legal constraints or limitations that affect the type of loans, investments or services that the institution may make or offer.

10. For each assessment area for each institution covered by the plan, measurable goals for helping to meet the credit needs of the assessment area, particularly the needs of low- and moderate-income geographies and individuals. If the plan for an institution encompasses the activities of non-depository institution affiliates, it is not necessary to state separate goals for each such affiliate.

Generally, a national bank shall discuss its plans regarding lending, investments and services, with an emphasis on lending and lending-related activities. However, the plan need not specify measurable goals in all three categories. Generally, a national bank that has been designated a wholesale or limited purpose institution shall emphasize community development lending, qualified investments and community development services. However, a plan need not follow the general rule if the emphasis of the plan is responsive to the characteristics and credit needs of the particular assessment area(s), considering the public comments and the institution's capacity, constraints, product offerings and business strategy.

Accordingly, for each assessment area for each institution covered by the plan:

(a) A plan must include measurable annual goals that, if met, would constitute "satisfactory" performance.<sup>1</sup> Note: [ Measurable goals are goals that are stated in quantifiable terms. However, institutions are provided flexibility in specifying goals. For example, an institution may provide ranges of lending amounts in different categories of loans. It would also be appropriate for an institution to plan on making a certain number of loans or lending a specific amount in a particular area or with respect to a particular project. An institution might plan on providing community services measured in terms of the frequency of use or amount of staff resources involved. In addition, an institution could provide a menu of activities, each with a weighted point value, from which a measurable goal could be stated in point totals. Measurable goals may also be linked to funding requirements of certain public

programs or indexed to other external factors as long as these mechanisms provide a quantifiable standard.] Multi-year plans must include annual interim measurable goals.

(b) A plan may also include measurable goals for any institution covered by the plan that, if met, would constitute "outstanding" performance for that institution.

11. An indication whether any institution covered by the plan elects to be evaluated under another assessment method (e.g., large retail institution assessment method) if the institution fails to meet substantially the strategic plan goals for a satisfactory rating.